



On Time Strategies for the “End to End” Procurement Process

Florida I.S. Conference

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Technical Operations
Team

Delivery & Schedule Management

Briefing Topics

- New Delivery One Book Chapter
- Influencing supplier performance
- Importance of data integrity
- Strategy for influencing supplier performance

Delivery & Schedule Management

New One Book Chapter

- Focus shift from “identifying” to “influencing”
- Incorporates risk based approach
- Supplier vs contract surveillance
- Methods of influencing supplier performance

D & S Management One Book Policy

Shift In Focus

- From (DLAM 8300.1): “The basic objective of production surveillance is to provide buying activities with critical knowledge concerning progress.”
- To (One Book Chapter 5.1): “Surveillance shall not be reduced to only transmitting data to buying activities without engaging in supplier delivery performance improvement efforts”

D & S Management One Book

Policy

Risk Based Approach

- Evaluate Likelihood and Consequence of Late Delivery
 - Likelihood - Provided by past on-time performance, mitigated by changes to contract environment.
 - Consequence - Evaluate what is the impact to customer if item is late.
- Assign delivery risk rating based on likelihood and consequence parameters.

D & S Management One Book Policy

How do we Influence Supplier Performance ?

- Formally requesting corrective action
- Escalate to management councils
- Identify root causes through process analysis
- Seek consideration
- Maintain accurate historical performance data

Delivery & Schedule Management

Briefing Topics

- New One Book Chapter
- Influencing supplier performance
- ✓ Delinquency Reduction Strategy
- Importance of data integrity

Delinquency Reduction Strategy

- If you want to minimize time spent:
 - Issuing delay notices
 - Responding to customer support requests (CPSS)
 - Chasing outstanding delinquencies

WORK TO IMPROVE ON-TIME
DELIVERIES


Delinquency Reduction Strategy

Steps

- Pareto top delinquent suppliers
- Validate data
- Assemble team
- Request corrective action/management council.
- Identify root causes/processes
- Work to eliminate root causes

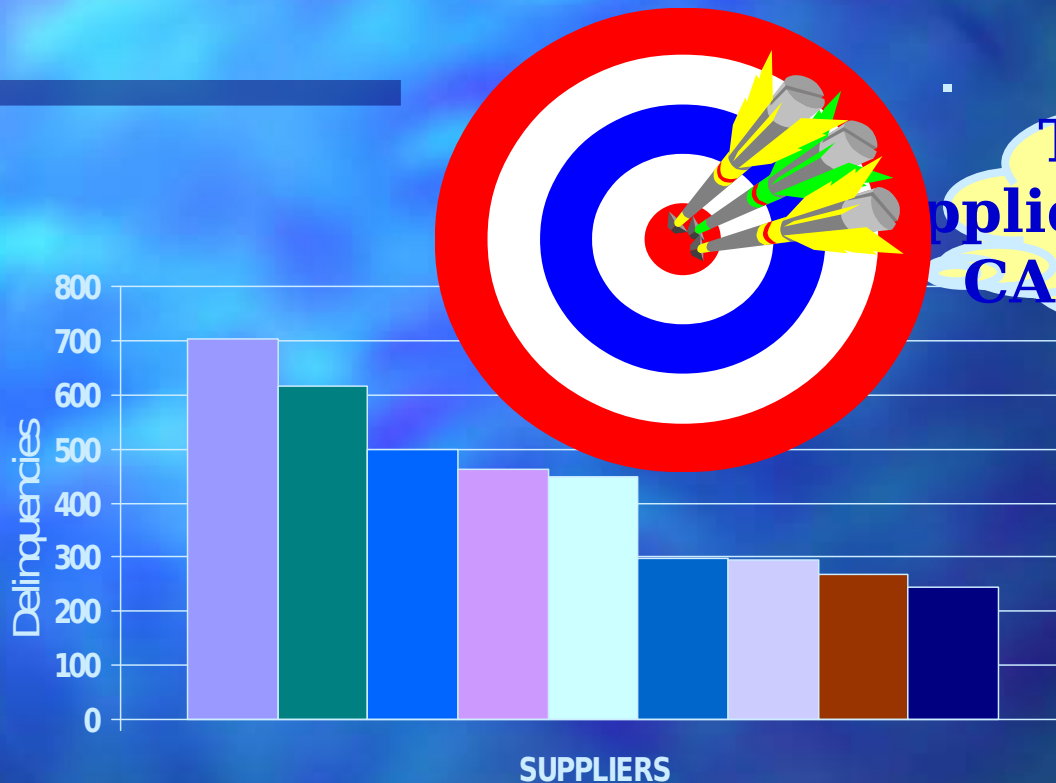
Delinquency Reduction Strategy

Step 1: Pareto Top Suppliers

		ON TIME DELIVERY RATE (METRIC 3.7.1) Summary FY 99 BUSINESS PLAN TASK 1.1.2			Page 1
Start Date: 2000-01-01		<div> <u>Report Totals</u> <div> <u>Schedules Due:</u> 823 <u>Schedules Delinquent:</u> 487 <u>On Time Rate:</u> 40.83% </div> </div>			End Date: 2000-01-31
Report: D:\112113\112SumCage.imr		Date: 02/04/2000			
	CAO Description	Schedules Due	Schedules Delinquent	On Time Rate	
9S850	LOGISTIC SERVICES INTL INC	155	131	15.48%	
62283	POINT BLANK BODY ARMOR INC	34	34	0.00%	
3Z771	GOODWILL INDUSTRIES	38	30	21.05%	
59501	UNISON INDUSTRIES INC	44	16	63.64%	
1B1H6	PACIFIC SCIENTIFIC CO	11	11	0.00%	
63954	BERNARD CAP CO INC	34	10	70.59%	
6T589	LONGWOOD ELASTOMERS INC	13	10	23.08%	
7A529	SPARTON ELECTRONICS FLORIDA	11	10	9.09%	
0W8V2	AME INTL INC	14	9	35.71%	
57282	CERTIFIED SLINGS INC	9	9	0.00%	

Delinquency Reduction Strategy

Step 1: Pareto Top Suppliers



- LOGISTIC SERVICES INTL INC
- POINT BLANK BODY ARMOR
- GOODWILL INDUSTRIES
- UNISON INDUSTRIES
- PACIFIC SCIENTIFIC
- BERNARD CAP CO
- LONGWOOD ELASTOMERS INC
- SPARTON ELECTRONICS FLORIDA
- AME INTL INC

Delinquency Reduction Strategy

Step 2: Validate the Data

Data Integrity... Is it worth it ?

CONS

- Work load intensive (initially anyway), takes away from on-site activities.
- Once reliable, maintenance time will be reduced.



PROS

- Adds to efficiency of delivery surveillance activities
- Ensures buying activities are getting accurate data.
- Data is key input to risk assessment
- Provides predictive indicators of supplier performance
- Allows for measurement of DCMC influencing efforts.

Delinquency Reduction Strategy

Step 2: Validate the Data

Why the Push to Clean Up MOCAS ????

- Can't do delivery surveillance efficiently
- Can't do resource evaluations
- Can't develop contractor rating systems
- Buying activities ARE accessing performance data.
- SPS Transition
- Data Integrity... Is it worth it ?

Delinquency Reduction Strategy

Step 3: Assemble the Team

- Local I.S./CAO I.S.
- SFA
- PT/CMA
- Buying Activity
- Industrial Engineer
- ACO/CA

Delinquency Reduction Strategy

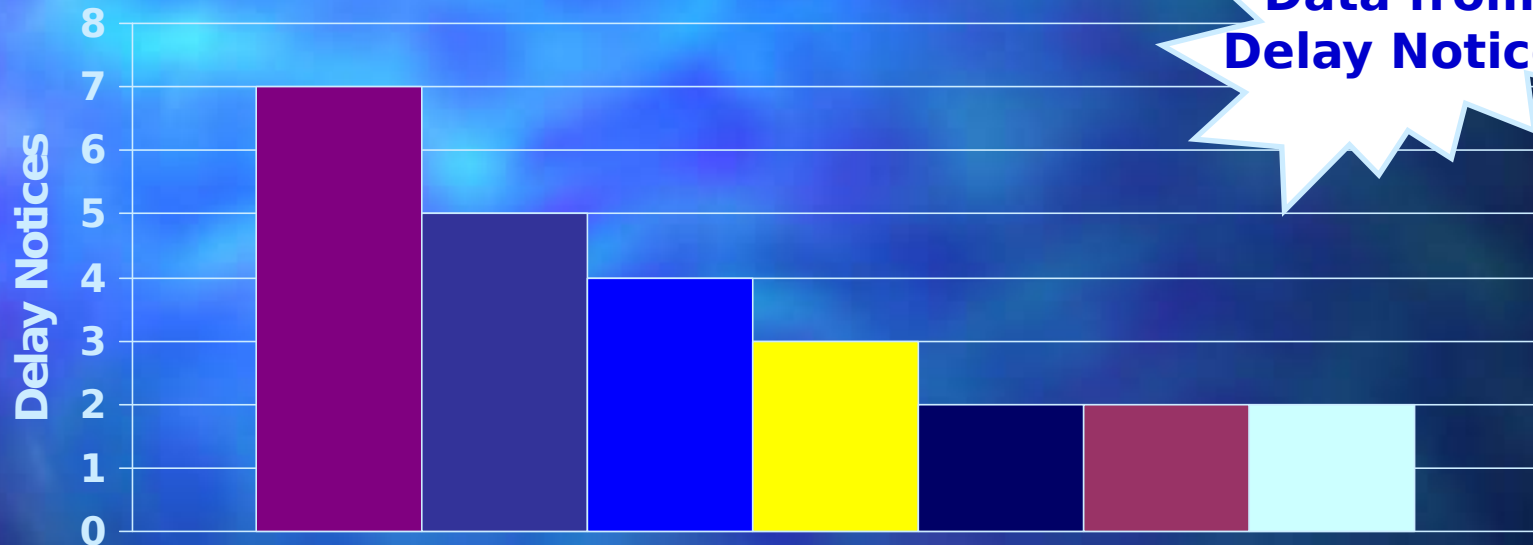
Step 4: Request Corrective Action

- Puts suppliers on notice
- Write against production planning and control system
- Results in suppliers (not us) identifying causes/resolving issues
- (ACO) to address to higher management if necessary
- Request to identify root cause/processes

Delinquency Reduction Strategy

Step 5: Identify Root Causes

**Data from
Delay Notices**



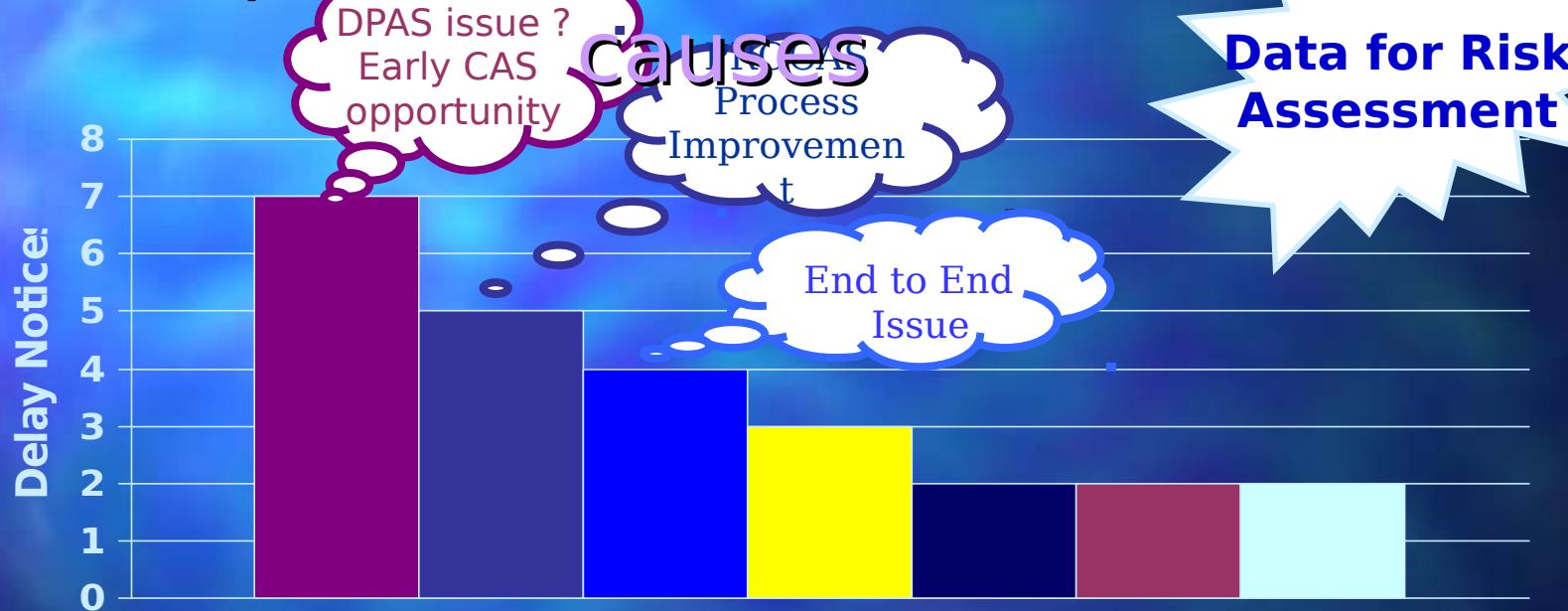
ROOT CAUSE CODES

- Production - shop overload
- Specification, drawings, or tech data inadequate
- Planning, unrealistic delivery schedule
- Production process inadequate
- Vendor/subcontractor problem, shop overload
- Vendor/subcontractor problem, material furnished rejected
- Design and engineering problem, part number feasibility

**Mandatory
Delay Code Entry
Requirement**

Delinquency Reduction Strategy

Step 5: Work to eliminate root causes



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Mandatory
Delay Code Entry
Requirement

Delivery Management

What's in the Future ?

- Contractor Alert List
- Updated queries/metrics
- Incorporation of Industrial/Manufacturing Engineer policy
- Supplier profiles

DCMC Delivery Performance

